

**CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES**

P.O. Box 419064, Rancho Cordova, CA 95741-9064



March 5, 2009

EBLAST

TO: IV-DIRECTORS

SUBJECT: FRANCHISE TAX BOARD STATE TAX REFUND INTERCEPTS

On January 16, 2009, the State Controller announced that because of the State's cash shortfall there would be a delay in issuing state tax refunds effective February 1, 2009. Refund payments will resume when the State Controller determines there is sufficient cash available to make refund payments.

The Franchise Tax Board (FTB) is currently processing tax returns but is not issuing any refunds. Obligor's whose refunds are being intercepted are receiving a notice from FTB stating that their refund was sent to the Department of Child Support Services (DCSS). **This is incorrect.** Due to the State's current cash position, state tax intercept funds are being held by the State Controller's Office and are not being sent to DCSS to be processed.

Pursuant to CSS Letter 05-06 Legal Date of Collection, the legal date of collection is the date the payment is received by the State Disbursement Unit (SDU). Until such time that the state tax refund is received by the SDU and posted to the obligor's account, **do not release or stop any enforcement actions** including, but not limited to State License and Revocation, passport denial, or DCSS bank levy.

The DCSS recognizes that a local child support agency may encounter unique case circumstances that may warrant the immediate release of a license, passport, or bank levy. Such case circumstances would include situations where the timely payment from a tax refund would meet the criteria to release a license hold, or, if not for the delay, the case would not meet threshold requirements for further enforcement action. The specific circumstances of these cases will be reviewed by DCSS Operations and Business Problems. Upon review of specific case circumstances, DCSS will provide direction to the LCSA on the appropriate action to be taken on the case.

If you encounter such a circumstance, please email CCSAS Business Problems with your request at: [CCSASBusinessProblems@DCSS.ca.gov](mailto:CCSASBusinessProblems@DCSS.ca.gov).

Sincerely,  
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BILL OTTERBECK  
Deputy Director